



# e-focusFraud

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## *Message from IFB Executive Director Anthony M. DiPaolo*

As I reflect back on March 2020, I recall Governor Baker issuing State of Emergency orders; work from home; wear masks; and practice social distancing. I think we all thought these orders would be in place for a short period of time. However, after fourteen long months, we are finally seeing light at the end of the tunnel. For the IFB, this was a time of challenges, reflection, and celebration. The challenges that we collectively faced, both personally and professionally, have given rise to a renewed look at how we thoroughly investigate criminal fraud cases in the present and how we will maintain and adapt IFB operations in the future.

Two weeks after becoming Executive Director of the IFB, we rapidly transitioned to a complete remote working environment from March 2020 to June 2020. By the end of June 2020, the IFB pivoted to a "hybrid model" with some staff members returning to the office on a limited basis. We continued to conduct our investigations including interviewing witnesses and subjects while maintaining safety for all involved. The rules of the investigative process did not change; they just required the IFB to be more flexible and adjust how we implemented the process. The results show that we had one of the most successful years at the IFB, referring 257 cases for prosecution which is the most cases the IFB has recommended for prosecution in one year.

In 2021, the concerns for health and safety remain, but the science and data show we are improving. As I write this, Governor Baker just announced that the removal of most COVID-19 restrictions will take effect on May 29, 2021. This could not come at a better time, as 2021 marks a significant milestone for the IFB. IFB is 30 years old and that is cause for a celebration! It has been a pleasure to work with so many great people over the past 30 years from industry personnel to law enforcement to prosecutors. This working collaboration has allowed the IFB to be one of the most successful insurance fraud bureaus in the country.

There have been many successful cases; too many to highlight here. Overall, the IFB has investigated more than 18,550 cases. We have referred 4,170 cases for prosecution resulting in 4,300 subjects charged with over 17,300 counts of insurance fraud or related charges. The cases that the IFB has been involved in have had significant impact on all who live and work in the Commonwealth of Massachusetts. These successes include the Community Insurance Fraud Initiatives (CIFIs), which after nineteen years, continue to be critically important, with automobile insurance injury rates remaining at 38 per 100 accidents compared to the start of the program at 70 per 100 accidents statewide. In the workers' compensation insurance area, the IFB's cases have resulted in over \$68,915,400 in restitution ordered payable to the insurance industry. There have been other cases in the provider fraud area that have had a positive impact on the health and property and casualty insurance carriers. In addition, a number of individuals have spent time in prison for committing insurance fraud in the Commonwealth.

Keeping with tradition, we are recognizing 40 professionals who have committed to the fight against insurance fraud. These individuals come from a vast gamut of professions; from claims adjusters to SIU, to police officers and detectives, federal special agents and prosecutors, from the local district attorney offices to the Attorney General's office and the U. S. Attorney's office.

We take insurance fraud very seriously in the Commonwealth of Massachusetts! In the end, these cases do not get done without the great effort and collaboration of our partners in the insurance industry, law enforcement and prosecutorial offices. Thank you!

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Individuals who have been charged and whose names have been publicly disseminated have been identified.

*e-focusFraud* is published periodically throughout the year. News flashes on current press releases and news articles and updates on prosecution court activity are posted frequently on the IFB website <https://www.ifb.org>.

If you prefer to receive your issues of *focusFraud* and IFB announcements by email, please forward your name, company name and email address to [dterry@ifb.org](mailto:dterry@ifb.org).

Referrals and general questions can be emailed to [referrals@ifb.org](mailto:referrals@ifb.org).

## ***Provider Fraud***

### **Former PT Clinic Owner Arrested for Health Care Fraud**

Boston – On May 25, 2021 Chang Goo Yoon was indicted on two counts of health care fraud and one count of aggravated identity theft. Yoon was the owner and operator of several physical therapy clinics in Allston, Waltham and Brookline from 2014 to 2018. Yoon allegedly billed patients for non-existent physical therapy appointments, including approximately \$200,000 in claims billed on dates when Yoon was traveling in South Korea, Los Angeles and Toronto. Yoon also allegedly billed \$60,000 in claims on dates when he was gambling at casinos including the Golden Nugget in Atlantic City, NJ, MGM Springfield, MA and Twin River Casino in Lincoln, RI. Additionally, Yoon allegedly submitted approximately \$30,000 in physical therapy claims for himself after three automobile accidents. Most of those claims falsely listed one of Yoon's employees as the servicing physical therapist. The remaining claims allegedly listed Yoon as both the patient and the servicing physical therapist.

*The case is being prosecuted by Assistant U.S. Attorney Elysa Q. Wan of Acting U.S. Attorney Nathaniel R. Mendell's Health Care Fraud Unit. The case was investigated by the Federal Bureau of Investigation, Boston Field Division; the U.S. Postal Inspection Service; and the IFB.*

### **Four Individuals Arrested and Charged with Health Care Fraud**

Boston – Gyulnara Bayryshova, Anna Barenboym, Slava Pride, and Raya Bagardi were indicted on February 4, 2021 in U.S. District Court on charges of health care fraud and mail fraud. The defendants were arrested and charged in connection with an alleged scheme to defraud an insurance provider for physical therapy services that were not provided to patients. Bayryshova was the owner of Brighton Physical Therapy (BPT), a physical therapy clinic in Brighton. Barenboym was a licensed physical therapist and Pride and Bagardi were licensed physical therapist assistants, all employed by BPT. From October 2018 through June 2020, the defendants allegedly conspired to cause an insurance company to reimburse them for physical therapy services that were not actually provided and/or were not medically necessary and, in some cases, were provided by individuals not licensed to provide the services. Specifically, the defendants allegedly falsely billed for services purportedly rendered to patients injured in automobile accidents when the services were not actually provided. In addition, some of the services for which the defendants sought reimbursement were not provided by licensed physical therapists. It is further alleged that BPT paid patients for referrals, referred patients to attorneys to assist with patients' insurance settlements, and accepted kickbacks from those attorneys in return.

*The case is being prosecuted by Assistant U.S. Attorney Laura J. Kaplan of the U.S. Attorney's Organized Crime and Gang Unit. The case was investigated by the Federal Bureau of Investigation, Boston Field Division; Boston Police; Quincy Police; and the IFB.*

*(Continued on page 3)*

## **Provider Fraud** *continued*

*(Continued from page 2)*

### **Natick Psychiatrist Indicted for Billing for Services Never Rendered**

Boston - Gustavo Kinrys was indicted on December 10, 2020 in U.S. District Court on seven counts of wire fraud, six counts of false statements relating to health care matters, one count of falsification of documents and one count of obstructing a criminal health care investigation. Kinrys, a Natick psychiatrist, was arrested in connection with charges that he billed Medicare and private insurance companies for over \$10 million in treatments he allegedly did not provide and then obstructed justice in an attempt to conceal his crimes. Kinrys was a licensed psychiatrist who owned and operated Advanced TMS Associates. Among other services, Kinrys offered transcranial magnetic stimulation (TMS) therapy and psychotherapy to patients suffering from depression. Between January 2015 and December 2018, Kinrys allegedly sought and received reimbursement for services he did not render. For example, Kinrys billed Medicare and private insurers over \$10 million for thousands of TMS sessions he never provided, including over 8,000 sessions he claimed were provided to 75 patients who, in fact, never received a single session of the therapy.

Kinrys also allegedly billed Medicare and private insurers for hundreds of thousands of dollars worth of psychotherapy sessions he never provided, including over 1,000 face-to-face sessions he falsely claimed he provided while he or his patients were in fact out of the country. On hundreds of occasions, it is alleged that Kinrys billed Medicare and private insurers for having provided more than 24 hours worth of psychotherapy services in a single day, including one day in 2017 when he claimed he had provided hour-long psychotherapy sessions to 79 different patients.

Further, Kinrys allegedly made numerous false statements to his patients, the billing company with which he worked and the insurers to whom he submitted claims seeking reimbursement. When Medicare, private insurers, and the Department of Health and Human Services (HHS) sought records from Kinrys pertaining to certain of his claims, he allegedly took steps to conceal his fraudulent conduct by making false representations and creating false documentation purporting to show that he had provided thousands of treatments he had billed for, but never rendered.

*Assistant U.S. Attorney Patrick Callahan of Acting U.S. Attorney Nathaniel R. Mendell's Health Care Fraud Unit is prosecuting the case. The case was investigated by Health and Human Services, Office of Inspector General; the Federal Bureau of Investigation, Boston Field Division; and the IFB.*

### **Case Update - Worcester Chiropractor Indicted in Connection with Insurance Fraud Scheme**

Worcester—The case against a Worcester chiropractor was continued without a finding on 13 counts of motor vehicle insurance fraud, two counts of larceny over \$1,200, and one count of larceny under \$1,200. She paid \$3,455 in restitution. The woman, a licensed chiropractor, falsely billed insurance companies for services not rendered and for items not provided to patients. Her chiropractic practice provides chiropractic and massage care to patients with auto insurance coverage, private health care insurance, and those who pay cash. As part of the therapy, she frequently offers to provide patients with a cervical pillow and an exercise packet, which includes resistance bands and a chart explaining exercises for patients to perform at home. She then bills insurance companies for these items. The Worcester chiropractor billed three insurance companies for a total of 13 patients, as a result of automobile accidents, for pillows and packets that the patients never received. In addition to not receiving the items, three of these patients were not treated on dates for which she billed their respective insurance companies. In total, the chiropractor defrauded \$3,455 from insurance companies.

*The case was prosecuted by Assistant Attorney General Joshua Pakstis of Attorney General Maura Healey's Insurance and Unemployment Fraud Unit with assistance from Victim Witness Advocate Megan Murphy of the AG's Victim Witness Services Division and investigators at the IFB.*

## ***Workers' Compensation Fraud***

### **Former Worcester Man Pleads Guilty to Wire Fraud and Conspiracy**

Worcester - On January 26, 2021 Julio Lopez pleaded guilty to federal tax and fraud charges arising from his role with various Worcester-based employment agencies. Lopez pleaded guilty to two counts of wire fraud and one count of conspiring to defraud the United States. He is scheduled to be sentenced on September 29, 2021. Lopez worked for Worcester-based employment agencies Bay State, Prime Labor and UT Services. Bay State misrepresented the number of its employees and the wages earned by such employees and failed to report cash wages to the Internal Revenue Service and to its workers' compensation insurance carrier, Travelers Insurance Company. In 2016, in connection with a client audit, another Bay State employee fabricated payroll documents that falsely showed that deductions were taken from employees' paychecks for payroll taxes, and Lopez provided these fabricated documents to the client. After Bay State ceased operations in approximately November 2017, Lopez was involved in shifting certain Bay State clients to UT Services, an agency controlled by Tam Vuong. Thereafter, Lopez and, allegedly, Vuong, engaged in a scheme to defraud by misrepresenting the number of employees who worked for UT Services and the wages earned by such employees. UT Services paid most of its employees in cash and then failed to report those employees and the cash wages to the IRS and Travelers. During the time he worked for UT Services, Lopez knew that federal law enforcement was investigating the cash payroll practices of various employment agencies, and used an email address associated with a fake name so that his own name would not be tied to UT Services. In August 2019, Tam Vuong was indicted on fraud and tax charges in connection with his oversight of UT Services and Prime Labor, another Worcester-based employment agency. Vuong is scheduled for trial on September 7, 2021.

*Assistant U.S. Attorneys Bill Abely, Chief of the U.S. Attorney's Major Crimes Unit and Ian Stearns of the Securities, Financial & Cyber Fraud Unit are prosecuting the case. The case was investigated by the Federal Bureau of Investigation, Boston Division; the Internal Revenue Service's Criminal Investigation in Boston; and the IFB.*

### **Shrewsbury Woman Pleads Guilty to Perjury Charge in Connection with Tax Fraud Investigation**

Worcester - On May 25, 2021 Linda Le was sentenced to two years of probation, with five months to be served in home confinement, and a \$10,000 fine. On February 5, 2021 Le pleaded guilty to one count of falsely testifying before a grand jury about her role with a Worcester-based employment agency. In late 2017 and early 2018, Le assisted with the transition of several client companies from one employment agency to UT Services, a Worcester-based employment agency. Thereafter, Le performed various tasks on behalf of UT Services, including reviewing and analyzing client invoices and maintaining a spreadsheet that tracked invoice amounts and profit. Le received cash payments in exchange for her work for UT Services. In May 2018, Le testified before a federal grand jury and falsely stated under oath that she did not know anyone who was involved with UT Services and did not know anything about a specific client company using temporary workers from UT Services. In March 2019, Le testified again before a federal grand jury and falsely stated under oath that she did not know anything about UT Services and that she did not have any role with UT Services. At the time, investigators were conducting an investigation into fraudulent UT Services tax filings and insurance audits.

*Assistant U.S. Attorneys Bill Abely, Chief of the U.S. Attorney's Major Crimes Unit and Ian Stearns of the Securities, Financial & Cyber Fraud Unit prosecuted the case. The case was investigated by the Federal Bureau of Investigation, Boston Division; the Internal Revenue Service's Criminal Investigation in Boston; and the IFB.*

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## **Workers' Compensation Fraud** *continued*

*(Continued from page 4)*

### **Two Worcester Area Men Arrested on Mail Fraud and Employment Tax Charges**

Worcester – Juliano Fernandes and Anderson Dos Santos were charged on March 1, 2021 in a superseding indictment charging Fernandes with two counts of false statements and charging Dos Santos with two counts of filing a false tax return. In January 2021, Fernandes was charged with failure to pay over employment taxes and mail fraud and Dos Santos was charged with mail fraud. Fernandes exercised management and control over Force Corporation and AB Construction, both Massachusetts-based construction companies. The men were allegedly involved in an employment tax and mail fraud scheme. Fernandes allegedly made two false statements to the Department of Labor in August 2017 concerning the value of property he owned and that he never had any responsibility or control over the payroll for Force Corporation. Dos Santos was charged with filing a false and fraudulent tax return related to his 2013 and 2014 personal tax returns. Between 2015 and 2017, Fernandes allegedly willfully failed to account for and pay over employment taxes for Force Corporation and AB Construction to the IRS. In addition, from approximately April 2013 through January 2017, Fernandes allegedly engaged in a scheme to defraud AIM and Travelers Insurance Companies for Force Corporation by misrepresenting the number of employees and amount of wages paid to its employees. Similarly, from approximately December 2013 through April 2016, Fernandes and Dos Santos allegedly engaged in a scheme to defraud the worker's compensation insurance carriers for AB Construction by misrepresenting the number of employees and amount of wages paid to its employees.

*The case is being prosecuted by Assistant U.S. Attorney John T. Mulcahy of the U.S. Attorney's Worcester Branch Office. The case was investigated by the Internal Revenue Service's Criminal Investigation; Department of Labor, Office of Inspector General, Office of Investigations; and the Insurance Fraud Bureau.*

### **Danvers Business Bookkeeper Charged with Insurance Fraud**

Danvers - Barbara Marsan was indicted on five counts of worker's compensation insurance fraud, four counts of larceny over \$250, and one count of larceny over \$1,200. Marsan, the bookkeeper of a Danvers tree removal and landscaping company, was charged in connection with making false statements to the company's workers' compensation insurer in order to pay lower insurance premiums. Marsan allegedly told Liberty Mutual Insurance Company that the company engaged primarily in landscaping work although the majority of the company's work is tree removal and pruning services. Those services are considered higher risk than landscaping and carry a higher insurance premium. Due to Marsan's claims, which took place from 2014 to 2018, the company allegedly fraudulently avoided paying \$100,575 in insurance premiums.

*Assistant Attorney General Joshua Pakstis of Attorney General Maura Healey's Insurance and Unemployment Fraud Division is prosecuting the case.*

### **Wenham Business Owner Pleads Guilty to Tax and Mail Fraud Charges**

Wenham – On January 12, 2021 Ralph Caruso, owner of Caruso Equipment Company, Caruso Construction and Equipment Company Inc., Northgate Recycling Company Inc., and Circle Trucking pleaded guilty to tax and mail fraud charges stemming from a scheme to pay workers "under the table." The scheme occurred from 2007 to 2016. Caruso had been charged with seven counts of aiding and assisting in the filing of false tax returns and four counts of mail fraud. Caruso had payroll accounts at several area banks but also kept an account at a credit union solely for the purpose of paying workers unreported income to avoid taxes and workers' compensation premiums. Workers' compensation carriers included AIG and AIM Insurance Companies. Sentencing is scheduled for June 10, 2021.

*The case is being prosecuted by Assistant U.S. Attorney Victor A. Wild of the U.S. Attorney's Securities, Financial & Cyber Fraud Unit.*

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## ***Workers' Compensation Fraud*** *continued*

*(Continued from page 5)*

### **Peabody Construction Company Owner Indicted for Allegedly Failing to Pay More than \$1 Million in Payroll Taxes**

Peabody - On September 29, 2020 Argyrios "Eric" Mavros was indicted in U.S. District Court on charges of failure to collect or pay over taxes and mail fraud. Mavros allegedly schemed to defraud the Internal Revenue Service of approximately \$1 million in payroll taxes and to defraud his workers' compensation insurance carrier, Acadia Insurance Company and serviced by Berkley Assigned Risk Services, by failing to disclose how many workers he employed. Mavros, who owned the now-defunct Mavros Construction, Inc., allegedly cashed more than \$3.3 million in customer checks at a Peabody check cashing business and used some of those funds to pay his employees in cash. Mavros allegedly failed to report these employees or their wages in quarterly corporate tax filings in an effort to avoid paying Social Security and Medicare taxes on employee wages and withholding federal income taxes. Overall, Mavros allegedly failed to pay and withhold federal taxes on more than \$2.5 million in wages, resulting in a tax loss of just over \$1 million. Additionally, Mavros allegedly failed to report these employees to Acadia Insurance, thereby defrauding his insurer of premiums.

*The case is being prosecuted by Assistant U.S. Attorney Kristen A. Kearney of the U.S. Attorney's Securities, Financial & Cyber Fraud Unit. The case was investigated by the Internal Revenue Service's Criminal Investigation and the Insurance Fraud Bureau.*

## ***Health Care Fraud***

### **Framingham Couple Charged with Health Care Fraud**

Framingham - A Framingham couple were arraigned on October 23, 2020 on charges of filing a false health care claim, obtaining a drug by fraud, uttering a false prescription and conspiracy to violate a drug law. The wife allegedly unlawfully forged and procured false prescriptions while employed as the office manager of a health care facility. She allegedly forged hundreds of prescriptions for herself and her husband and other immediate family members. The majority of the fraudulent prescriptions were identified as Adderall and Xanax and were prescribed under two physicians' names in the practice. The wife was terminated from the medical practice on July 17, 2019 after the alleged fraudulent activity was discovered. She had been employed as the office manager for eleven years and had access to secured prescription pads and signature stamps. Investigation revealed that 171 prescriptions for Oxycodone, Hydrocodone, Suboxone, Adderall, and Xanax were allegedly fraudulently obtained from October 2014 through July 2019 by utilizing her private health insurance prescription drug benefits. These fraudulent prescriptions resulted in insurance carriers paying approximately \$8,034 in false health care claims. Insurance carriers affected by the fraudulent activity were Blue Cross Blue Shield of Massachusetts and Magellan Health. *A prosecutor from Middlesex County District Attorney Marian Ryan's office is prosecuting the case.*

### **Salem Man Indicted for Insurance Fraud Scheme**

Salem—Benjamin Johnson was indicted in connection with a scheme to set up a shell company to fraudulently collect benefits under a long-term care insurance policy. Johnson was indicted on charges of larceny over \$250 by false pretenses and fraudulent insurance claim in Essex Superior Court. Between March 2016 and January 2017, he allegedly operated a shell home health care company called White Shores Home Health. Using this company, Johnson collected money from John Hancock Life Insurance Company by allegedly billing them for treatment not rendered under his father's long-term care insurance policy. Johnson allegedly stole over \$45,000 by claiming he was his father's health care aide, when in fact he failed to provide care to his father. Johnson was previously indicted in 2018 on charges in connection with elder abuse of his father. *Assistant Attorney General Dan Jimenez and Investigator Michelle Silva of the Attorney General's Insurance and Unemployment Fraud Unit are prosecuting the case.*

## **Other Types of Insurance Fraud** *Continued from August 2021*

### **Holbrook Man Indicted for Damaging Luxury Cars in Alleged Insurance Scheme**

Boston - Dion Augustin was indicted on seven counts of larceny over \$250 by false pretenses and eight counts of motor vehicle insurance fraud. Between August 2016 and December 2017, Augustin allegedly purchased numerous luxury vehicles—including a Bentley, a Maserati, and two Fisker Karmas—and rented trucks from U-Haul in his own name and by using a series of intermediaries (known as “straw” purchasers). Augustin allegedly obtained financing for those purchases by misrepresenting both his own creditworthiness and that of his straw purchasers. After securing insurance on the luxury vehicles, Augustin allegedly deliberately damaged them and reported the damage as accidental in order to collect the insurance proceeds. In total, Augustin allegedly obtained \$136,940 in financing through his use of misrepresentations. In addition, the false insurance claims made by Augustin allegedly resulted in insurance payouts in excess of \$208,700.

*The case is being prosecuted by Assistant Attorney General Eric Haskell and Investigator Michael Azevedo of Attorney General Maura Healey’s Insurance and Unemployment Fraud Unit, and Victim Witness Advocate Lia Panetta. The IFB and Massachusetts State Police assisted in the investigation.*

### **Case Update – Former Treasurer of Newton PTO Pleads Guilty**

Boston—Rebeca Craig pleaded guilty to presentation of false claims, making a false statement to the tax commissioner, submitting a false insurance claim, forgery, and larceny over \$250. She was sentenced to serve a year and one half in the House of Correction followed by two years of probation. She was also ordered to pay restitution and perform community service. [Due to COVID-19, Craig’s sentence was revised to allow an early release from jail and to place her on house arrest.] This plea is in connection with a scheme to steal tens of thousands of dollars by making false insurance claims and providing incorrect information on her tax refunds. From 2013 through 2018, Craig engaged in various fraudulent schemes and thefts. Several of her schemes involved the submission of falsified or altered documents in support of insurance claims. In addition, Craig submitted falsified tax returns, resulting in her receipt of tax refunds totaling \$11,318, to which she was not entitled. Craig previously pleaded guilty to a count of larceny over \$250 by a single scheme and was sentenced to two years in the House of Correction, one year to serve with the balance suspended for three years. In that scheme, Craig, who served as the Treasurer for the Newton PTO Council from 2013 to 2014, funneled \$14,593 from the organization to her own personal accounts.

*The case was prosecuted by Assistant Attorney General John Reynolds and Investigator Michelle Silva, both of Attorney General Maura Healey’s Insurance and Unemployment Fraud Unit in the White Collar and Public Integrity Division. The Massachusetts Department of Revenue, the IFB, and the Massachusetts State Police assigned to the AG’s Office also assisted.*

### **Great Barrington Man Admits to Attempted Insurance Fraud Scheme**

Great Barrington—A Great Barrington man admitted to sufficient facts on February 22, 2021 on a charge of attempt to commit a crime. The case was continued without a finding for three months. On March 27, 2019 the man notified Travelers Insurance that five horse saddles were allegedly stolen from a barn on his property on or about March 15, 2019. During Travelers investigation, the man was unable to produce documentation for the five horse saddles he alleged were stolen. He subsequently provided one receipt for \$8,300 from a horseshoe supply company for two of the reported stolen saddles. Investigation confirmed through the owner of the horseshoe supply company that they do not sell the specific saddles indicated on the receipt, the Great Barrington man purchased no saddles from the company, and the supply company owner did not write the receipt that was submitted to Travelers. The man maintained his version of the alleged theft loss; however, he subsequently withdrew his homeowner’s theft claim. *The case was prosecuted by the Berkshire County District Attorney’s Office in Southern Berkshire District Court.*

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## ***Other Types of Insurance Fraud continued***

*(Continued from page 7)*

### **Marshfield Woman Admits to Pet Insurance Fraud**

Marshfield—On October 22, 2020 a Marshfield woman admitted to sufficient facts on charges of presenting a false insurance claim and attempt to commit a crime. The case was continued without a finding for six months. On November 27, 2017 the woman filed an electronic claim with her pet insurance carrier, ASPCA Pet Health Insurance, for \$5,774.08 in veterinary expenses. She reported the expenses were related to treatment her dog allegedly received on November 14, 2017 and that the dog's gastrointestinal illness/injury first occurred on November 9, 2017. The woman submitted veterinary documents in support of her claim. Investigation revealed that records obtained from the veterinary clinic show the dog was treated from October 12, 2017 to October 14, 2017; not November 14, 2017 as the woman represented. Veterinary records also showed total cost of treatment was \$3,974.54. The Marshfield woman altered the dates on the documents to suggest the dog received treatment on November 14, 2017 after the policy became effective and the 14 day waiting period had lapsed. *A prosecutor from the Office of Plymouth County District Attorney Timothy Cruz prosecuted the case.*

### **Chicopee Woman Admits to Insurance Fraud**

Chicopee -A Chicopee woman admitted to sufficient facts on two counts each of motor vehicle insurance fraud and attempt to commit a crime. The case was continued without a finding for six months. On July 19, 2016 the woman reported to police that her apartment had allegedly been broken into and several items, including \$7,000 in cash, were stolen. There were no signs of forced entry into the apartment and surveillance footage showed that no one entered or exited the apartment through any window. The claim was denied by Amica Insurance. In another claim reported to Mapfre Insurance on January 19, 2017, the Chicopee woman reported that her 2004 Subaru Forester had allegedly been struck and run off the road by another vehicle which fled the scene. She alleged the vehicle sustained various damages which included mechanical damage. A vehicle analysis determined there had been no collision and the mechanical damage was unrelated to a hit and run incident. The claim was denied. On March 28, 2017 she again claimed to Mapfre Insurance that her vehicle had allegedly been struck by an unknown vehicle and had sustained both physical and mechanical damages. Another damage analysis concluded the damages were unrelated to a hit while parked event and the mileage was exactly the same as it had been with the previous claim. *A prosecutor from the Office of Hampden County District Attorney Anthony Gulluni prosecuted the case.*

### **North Dartmouth Man Pleads Guilty**

North Dartmouth—Sean Murphy pleaded guilty to insurance fraud and other unrelated charges. He was sentenced to serve two years plus one day in state prison. On December 10, 2012 Murphy submitted a claim to Sunland Inc. alleging that he and his wife had become ill in July 2012 after eating salted peanut butter they had purchased from a Trader Joe's. Sunland is the maker of the peanut butter. Initially, Murphy demanded compensation of \$5,000 to settle the claim within 30 days. On January 15, 2013 Sunland's insurer, Great American Insurance Company, requested additional information regarding Murphy's claim and on January 29, 2013 Murphy provided a signed Release of All Claims Form and made a new demand for a \$1,000 payment. On February 5, 2013 the insurer acknowledged Murphy's demands and again requested additional information regarding the product that Murphy reportedly purchased from Trader Joe's. Murphy provided the requested information on February 18, 2013 and made a third demand to settle the claim for no less than \$999. Investigation revealed that Murphy never purchased peanut butter from Trader Joe's and at the time he alleged to have bought and then eaten the peanut butter, Murphy was incarcerated in the House of Correction. Furthermore, Murphy would not have been allowed food brought in from the outside and he did not seek medical treatment during that time. Murphy subsequently withdrew his claim. *A prosecutor from the Office of Bristol County District Attorney Thomas M. Quinn III prosecuted the case.*



## **Community Insurance Fraud Initiatives Highlights**

### **Boston CIFI**

*The Boston task force handles automobile insurance fraud cases throughout Boston and its neighborhoods. It is assisted by Boston Police detectives. Community Insurance Fraud Initiative (CIFI) cases are prosecuted by the Office of Suffolk County District Attorney Rachael Rollins.*

A Woburn man was placed on pre-trial probation for six months on charges of motor vehicle insurance fraud and attempt to commit a crime. He was ordered to pay \$925 in restitution. The man reported to Arbella Insurance Company that he parked his 2006 Toyota RAV4 in East Boston on May 31, 2018 when it was allegedly struck by an unknown vehicle. He did not notify police of the alleged incident. A vehicle damage analysis concluded the damage was inconsistent with a hit while parked incident and that the Toyota was moving in reverse at a low speed when the passenger side interacted with a vertical structure. Micro deposits of wood were embedded in the damage; there was no evidence of automotive paint or any other type of material from an adverse vehicle. Furthermore, an analysis of the Toyota's Event Data Recorder (EDR) showed the Toyota was traveling in reverse at 2.5 MPH at impact.

### **Southeast Region**

*The Southeast Region comprises the Brockton, Randolph and New Bedford/Fall River task forces. Brockton CIFI cases are prosecuted by the Office of Plymouth County District Attorney Timothy J. Cruz. The New Bedford/Fall River task force is assisted by New Bedford Police Officer Greg Sirois and Fall River Police Lt. Paul Bernier and cases are prosecuted by the Office of Bristol County District Attorney Thomas M. Quinn III. Randolph CIFI cases are prosecuted by the Office of Norfolk County District Attorney Michael Morrissey.*

A Marshfield woman was placed on pre-trial probation for six months on two counts of motor vehicle insurance fraud and one count each attempt to commit a crime and larceny over \$250. She was ordered to pay \$1,943 in restitution. The woman's 2006 BMW 750i was involved in three separate losses, two of which were staged. On September 19, 2016 her BMW was struck by a 2010 Honda Accord in an intersection collision. Damages to the BMW were assessed at approximately \$11,491 and the vehicle was deemed a total loss. Mapfre Insurance paid the woman for damages to the BMW. On February 3, 2017, she reported to a new insurer, Allstate Insurance, that while operating her 2006 BMW she struck a parked 2013 BMW 328i. Damages to her vehicle were assessed at approximately \$7,434. A damage analysis concluded that there was no evidence of a collision between the two BMWs and the woman's BMW had not been driven since the prior loss in September 2016 with the odometer indicating 98,718 miles. This claim was denied. On February 13, 2017, the woman reported to a third insurer, GEICO Insurance, that on February 12, 2017, while operating her 2006 BMW, she was struck by another vehicle coming from the opposite direction causing her to lose control and strike a tree. A damage appraisal assessed the damages at approximately \$11,350, deeming the vehicle a total loss. The Marshfield woman was paid for this loss. Subsequent investigation concluded the BMW was involved in the September 2016 accident causing right front damage. A review of the appraisal photographs determined that most of the damage to the vehicle was not repaired. In addition, the BMW had not been driven since the September 2016 incident with the odometer indicating 98,718 miles. The steering wheel, airbag, and driver's seat were also in the same positions.

A Brockton woman was placed on pre-trial probation for three months on charges of motor vehicle insurance fraud and attempt to commit a crime. She was ordered to pay \$962 in restitution. The woman reported to MetLife Auto & Home that her 2017 Toyota Camry was allegedly hit while parked in front of her home on December 12, 2018 resulting in damage to the front fender, hood and entire passenger side. A vehicle analysis concluded the vehicle was involved in two separate incidents

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## ***Community Insurance Fraud Initiatives Highlights*** *continued*

*(Continued from page 9)*

while the Toyota was in motion which caused the reported damage. The woman stated that she parked the vehicle in front of her home, heard a bang from outside and allegedly observed a vehicle pulling away which she believed struck the front end of her vehicle. The woman denied hitting anything with the Toyota and maintained all the damage was from the alleged hit while parked incident.

The case against a Swansea woman was continued without a finding for one year on a charge of motor vehicle insurance fraud. On July 11, 2019 the woman reported to Mapfre Insurance that her 2007 Ford Edge was allegedly struck by an unknown vehicle while parked on the street in front of her mother's residence. She reported damage to the passenger side. A damage analysis noted the damages were not consistent with a hit while parked incident. An accident reconstruction determined the Ford side-swiped an abrasive or concrete object such as a low masonry wall or post.

### ***Northern Region***

*The Northern Region comprises the Lawrence/Lowell, Lynn and Chelsea/Revere task forces. The Lawrence CIFI task force is assisted by detectives from Lawrence and other area police departments. CIFI cases are prosecuted by Essex County Assistant District Attorney Daniel Paglia. Lowell CIFI cases are prosecuted by Middlesex County Assistant District Attorney Mary O'Neill. The Lynn task force is assisted by Lynn, Peabody, and other area police departments. Lynn and Chelsea/Revere CIFI cases are prosecuted by prosecutors from the Offices of Essex County District Attorney Jonathan W. Blodgett and Suffolk County District Attorney Rachael Rollins.*

A Lawrence man was placed on pre-trial probation for six months on charges of motor vehicle insurance fraud and attempt to commit a crime. He was ordered to pay \$405 in restitution. The man reported to Hanover Insurance Company that his 2013 Nissan Altima was allegedly struck while parked near his residence on May 29, 2017 resulting in front end damage. A collision analysis determined that the Nissan struck the rear of another motor vehicle. On contact, the front of the Nissan slid under the tailpipe and muffler of another vehicle which caused rust transfers and a partial cylindrical tear just below the right headlamp. The positioning of the tear indicated a downward trajectory on the rear of the other vehicle. The man stated the Nissan was in good condition at the time of purchase and that it had no pre-existing damage prior to the alleged incident. He denied being involved in an accident. He also stated that he was the only driver of the vehicle and that he had the only set of keys in his possession.

A Peabody man admitted to sufficient facts on charges of presenting a false insurance claim and attempt to commit a crime. The case was continued without a finding for six months and he was ordered to pay \$650 in restitution. The Peabody man reported to Safety Insurance Company that on January 10, 2017 his 2003 Honda Accord was allegedly parked and unattended when it was struck by an unknown vehicle which fled the scene. He reported damages to the driver side front end area. Police were not notified of the alleged incident. A damage analysis determined the vehicle was not in a hit and run accident but was in motion and struck an external fixed object. Red latex paint, wood, and vegetation were found in the damaged area. The Peabody man denied causing the damages to the vehicle and stated he was in New York at the time of the alleged incident and nobody else had access to the vehicle.

*(Continued on page 11)*

**Look for other CIFI stories on the IFB website at <https://www.ifb.org>.**

## ***Community Insurance Fraud Initiatives Highlights continued***

### ***Western Massachusetts Region***

*The Western Region comprises the Holyoke/Springfield and Worcester CIFIs. The Western Massachusetts task force is assisted by area police departments. CIFI cases are prosecuted by Hampden County Superior Court Assistant District Attorney James Forsyth, Berkshire County First Assistant District Attorney Karen Bell and First Assistant District Attorney Steve Gagne of the Northwestern Massachusetts District Attorney's Office which covers Franklin and Hampshire counties. The Worcester task force is assisted by Worcester Police Det. James O'Rourke and other area police departments. CIFI cases are prosecuted by Worcester County Assistant District Attorney Greer Spatz.*

A Leominster woman admitted to sufficient facts on charges of motor vehicle insurance fraud, false report of a crime and larceny over \$1200 by a single scheme. The case was continued without a finding for one year. She was ordered to pay \$3,600 in restitution. The Leominster woman alleged she spent the night of February 12, 2017 at a friend's home and parked her 2007 Mitsubishi in front of the home. The next morning she started the vehicle to warm it up, and when she returned approximately 10 minutes later it was gone. The Leominster woman reported her cousin drove around to search for the stolen vehicle and he located the Mitsubishi in a snow bank with considerable damage. She then reported the vehicle as stolen to police. On February 12, 2017 at 7:52 a.m., police received a report of a hit and run accident. The responding officer secured vehicle parts found near one of the vehicles that had been struck which included a fog light. The fog light matched the woman's Mitsubishi. It was also noted that the Mitsubishi was unable to be moved from the snowbank and was leaking green anti-freeze. On February 13, 2017 the woman also reported the alleged theft to Plymouth Rock Assurance Corporation. A witness at the scene of the hit and run accident stated the accident occurred before 4:00-4:30 a.m. which is prior to the time the woman claims she started the vehicle to warm it up.

A Winchendon man pleaded guilty to a charge of motor vehicle insurance fraud. He was ordered to pay a \$1,000 fine. On May 19, 2017 the man's wife reported to Progressive Insurance Company that she was allegedly operating a 2015 Chevrolet Silverado when she struck a tree trying to avoid a moose in the road. She alleged both she and her husband had been injured in the accident. Investigation determined the husband was the operator of the vehicle at the time of the accident and his wife was not present in the vehicle. The Winchendon man admitted to police to being the operator at the time of the accident. He was cited for illegal operation and operating a motor vehicle after suspension. In addition, a witness came upon the incident shortly after it occurred and observed the man exiting the vehicle's driver side door.

The case against an Ashby man was continued without a finding for six months on charges of motor vehicle insurance fraud and filing a false report of a crime. On November 30, 2018 the Ashby man reported to police and MetLife Auto & Home the alleged theft of his 2003 Jeep Liberty. He stated that the Jeep was scheduled to be repossessed and that a tow truck driver allegedly came to his home on November 19, 2018, took the keys from him, and towed the vehicle. The man subsequently claimed he allegedly received a phone call from the credit union which held the title to the vehicle to arrange a new payment schedule due to missed payments. The Ashby man stated that the caller allegedly advised him they had not ordered his vehicle to be repossessed, they did not have the vehicle in their possession, and suggested he call police to file a stolen motor vehicle report. He reported the alleged theft to police and indicated the vehicle had been missing since November 19, 2018, the keys were in the vehicle, and the doors were unlocked at the time of the alleged theft. On December 5, 2018 the Jeep was recovered and located on property, concealed behind a pile of wooden logs, where the Ashby man periodically worked as a handyman. He admitted to police the theft report he signed on November 30, 2018 was not true. He also stated he filed a theft claim with MetLife knowing the claim was false.

## ***IFB Marks 30 Years of Fraud-Fighting Success***

### **40 Individuals Recognized at 30<sup>th</sup> Anniversary Awards Ceremony**

Over the past thirty years, many individuals and organizations have contributed to the success of the Insurance Fraud Bureau. On May 26, 2021, the IFB observed its 30<sup>th</sup> anniversary with a virtual awards ceremony. Forty individuals from the insurance industry, police departments, law enforcement agencies and prosecutors' offices were recognized "in appreciation of contributions toward fighting fraud" in Massachusetts. The following individuals were recognized:

- *Michael Azevedo*, Investigator, Insurance & Unemployment Fraud Unit (IUFU), Office of Attorney General Maura Healey
- *Detective Diane Basset*, Pittsfield Police Department
- *Lieutenant David Betz*, Chelsea Police Department
- *Detective Joseph Buil*, Boston Police Department
- *Detective David Caramanica*, Revere Police Department
- *Special Agent Stacey Cobane*, Internal Revenue Service
- *Paul Davis*, Massachusetts Department of Environmental Protection
- *Detective Gary Dillion*, Lowell Police Department
- *Shane Eldredge*, Special Investigation Unit, Mapfre Insurance
- *Christina Eure*, Special Investigation Unit, Allianz Global Assistance
- *Martin Flood*, Senior Investigator, Blue Cross/Blue Shield of Massachusetts
- *James Forsyth*, Assistant District Attorney, Office of the Hampden County District Attorney
- *Special Agent Erin Fuller*, Office of the Inspector General, Health & Human Services
- *Special Agent Gregory Gerlach*, Federal Bureau of Investigation
- *Detective James Harte*, Boston Police Department
- *Eric Haskell*, Assistant Attorney General, IUFU, Office of the Attorney General
- *Sargent David Hunter*, Lynn Police Department
- *Supervisory Special Agent Rita Iacone*, Federal Bureau of Investigation Health Care Fraud Unit
- *Special Agent Connor Jorde*, Federal Bureau of Investigation
- *John Jovan Jr.*, Special Investigation Unit, Pilgrim Insurance Company
- *Special Agent Kristin Koch*, Federal Bureau of Investigation
- *Detective Michael Lavey*, Everett Police Department
- *Catherine LeBlanc-Horton*, Special Investigation Unit, Mapfre Insurance
- *Special Agent Jamey Lemire*, Internal Revenue Service
- *Matthew Lubs*, Special Investigation Unit, GEICO/USAA Insurance Companies
- *Detective Anthony Lucie*, Sharon Police Department
- *John T. Mulcahy*, Assistant U.S. Attorney, Office of the United States Attorney
- *Samantha Mullin*, Assistant District Attorney, Office of the Plymouth County District Attorney
- *Special Agent Keith Nelson*, Federal Bureau of Investigation
- *Detective James O'Rourke*, Worcester Police Department
- *John Powers*, Special Investigation Unit, Plymouth Rock Assurance Corporation
- *Theresa Quinn*, Special Investigation Unit, MetLife Auto & Home
- *John Reynolds*, Assistant Attorney General, IUFU, Office of the Attorney General
- *Michael Scott*, Assistant District Attorney, Office of the Bristol County District Attorney
- *Michelle Silva*, Investigator, IUFU, Office of the Attorney General
- *Officer Gregory Sirois*, New Bedford Police Department
- *Koreen Wapenski*, Special Investigation Unit, Mapfre Insurance
- *Captain Scott Wlasuk*, Peabody Police Department
- *Geoffrey E. Wood*, Director, IUFU, Office of the Attorney General